

HXI LOGISTICS, INC,

V.

Defendant.

Amount Claimed: \$169,339.20
plus costs and fees

Parties, Jurisdiction and Venue:

EXHIBIT A

6. The POLICY included form number CM T2 09 01 11, Carriers Cargo Pak, which states in pertinent part as follows:

A. COVERAGE

We will pay those sums you become legally obligated to pay as damages for direct physical loss or or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

1. **Covered Property**, as used in this Coverage Form, means lawful property of others that you have accepted for transportation, and for which s Limit of Insurance is shown in the Declarations.

7. In or around November 2021, CH Robinson ("CHR") hired HXI to transport a load of electronics ("CARGO") for Samsung Electronics of America, Inc. ("Samsung") from Elwood, Illinois to a COSTCO warehouse in Tracy, California, CHR Load No. 374819613.

8. HXI picked up the CARGO in Illinois and transported it to a trailer yard in Stockton, California to await delivery to COSTCO.

9. On or about November 15, 2021, while the trailer containing the CARGO was parked in the trailer yard in Stockton awaiting delivery, the trailer and CARGO were stolen.

10. HXI promptly filed an Incident Report with the Stockton Police Department on November 24, 2021, Report No. 21-41241.

11. HXI timely filed a claim with TRAVELERS for coverage related to the loss of the CARGO under the POLICY, Claim No. FRQ0304 ("the CLAIM").

12. The trailer was subsequently recovered, but the CARGO had been removed and has not been recovered.

13. Samsung filed a Loss/Damage Claim No. 0010035073 in the amount of \$169,339.20 for the loss of the CARGO due to theft, which amount, upon information and belief, CHR paid to Samsung. A copy of the Loss/Damage Claim is attached as **EXHIBIT B**.

14. CHR filed a claim for loss against HXI in the same amount of \$169,339.20, Claim No. 15495201.

15. On or about April 5, 2022, TRAVELERS denied the CLAIM on the purported basis that the CARGO had been stolen by an employee of HXI and was therefore not a covered loss under an exclusion in the POLICY for dishonest acts. A copy of the denial letter is attached as **EXHIBIT C**.

16. On or about June 21, 2022, the Stockton Police Department recorded the District Attorney's conclusion of its investigation and determination that there was insufficient evidence to charge any suspect in the theft incident noting "lack of sufficient evidence", "insufficient suspect ID" and "no reasonable probability of conviction". A copy of the Stockton Police Department Incident Report dated 6/21/22 is attached as **EXHIBIT D**.

17. Despite repeated requests to reverse its determination, TRAVELERS has failed and/or refused to pay HXI for this loss and CLAIM.

18. On or about 10/20/2022, CHR charged HXI \$169,339.20 for its Claim resulting from the theft of the CARGO.

COUNT I - DECLARATORY JUDGMENT

19. HXI realleges and incorporates by reference paragraphs 1 through 18 above as though fully set forth herein.

20. An actual controversy exists which may be fully and finally determined by this Court as to the rights of each of the parties under the POLICY.

21. Pursuant to Section 2-701 of the Illinois Code of Civil Procedure, 735 ILCS 5/2-701, this Court is vested with the power to make binding declarations of the rights and liabilities of the parties hereto under the terms and provisions of the POLICY to adjudicate the final rights of all parties thereunder, and to give such other and further relief as may be necessary to enforce the same.

WHEREFORE, HXI respectfully requests that this Court enter a declaratory judgement in its favor declaring that the POLICY covers the losses sustained by HXI related to the CLAIM and for such other and further relief as this Court deems just and appropriate.

COUNT II - BREACH OF CONTRACT

22. PUMA realleges and incorporates by reference paragraphs 1 through 18 above as though fully set forth herein.

23. The POLICY constitutes a contract between HXI and TRAVELERS for the provision of the insurance coverage in consideration of the premiums paid and in accordance with the terms and conditions of the Certificate.

24. TRAVELERS breached the contract by denying coverage and failing and refusing to pay HXI for the CLAIM and losses sustained as a result of the theft of the CARGO.

25. HXI has performed all conditions required of it under the POLICY including, but not limited to, payment of all premiums.

26. HXI has been damaged by TRAVELER's breach of the contract in the amount of \$169,339.20, plus its costs and attorney fees incurred in an attempt to secure coverage of the CLAIM.

WHEREFORE, HXI respectfully requests that this Court enter a judgment in its favor and against TRAVELERS in the amount of \$169,339.20 plus costs of this action and such other and further relief as this Court deems just and appropriate.

COUNT III - BAD FAITH

27. HXI realleges and incorporates by reference paragraphs 1 through 18 above as though fully set forth herein.

28. TRAVELER'S denial of the CLAIM based on the available facts, including the determination made by the Stockton Police Department and the District Attorney for Stockton, California, which is inconsistent with the position taken by TRAVELERS as the basis for its denial of the CLAIM, is vexatious and unreasonable.

29. In addition to its actual damages, HXI is entitled to recover for TRAVELER's bad faith denial of the CLAIM pursuant to Section 155 of the Illinois Insurance Act, 215 ILCS 5/155.

WHEREFORE, HXI Logistics, Inc. respectfully requests that this Court enter a judgment, in addition to any amounts determined to be due and owing, for its reasonable attorney fees, costs and an additional \$60,000 for TRAVELER's bad faith.

Dated: November 14, 2022

HXI LOGISTICS INC.,
Plaintiff,

By: Tami Diamond
One of its attorneys

Tami J. Diamond
Kurt E. Vragel, Jr., P.C.
1701 E. Lake Ave., #170
Glenview, IL 60025
(847) 657-8551
tami@kevtrucks.com

VERIFICATION BY CERTIFICATION

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters stated to be on information and belief and as to such matters the undersigned certifies that he believes the same to be true.

HXI LOGISTICS, INC.

By: Scott H.
Signature

Print Name: HENRY SCOTT

Its: President.
Title

Dated: 11-14-22



Report Claims Immediately by Calling*
1-800-238-6225

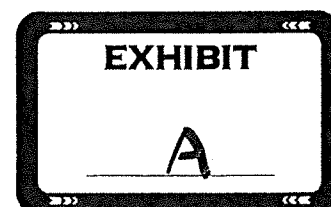
*Speak directly with a claim professional
24 hours a day, 365 days a year*

*Unless Your Policy Requires **Written** Notice or Reporting

COMMERCIAL INSURANCE

A Custom Insurance Policy Prepared for:

HXI LOGISTICS INC
3 GRANT SQUARE UNIT 411
HINSDALE IL 60521



Presented by: NORMAN SPENCER AGENCY



One Tower Square, Hartford, Connecticut 06183

TRAVELERS CORP. TEL: 1-800-328-2189
 COMMERCIAL INLAND MARINE
 COMMON POLICY DECLARATIONS
 ISSUE DATE: 09/30/21
 POLICY NUMBER: QT-660-8R365916-TIL-21

INSURING COMPANY:
 TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:

HXI LOGISTICS INC
 3 GRANT SQUARE UNIT 411
 HINSDALE, IL 60521

2. POLICY PERIOD: From 09/19/21 to 09/19/22 12:01 A.M. Standard Time at your mailing address.

3. LOCATIONS

Premises	Bldg.	Loc. No.	No.	Occupancy	Address
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SEE IL TO 03

4. COVERAGE PARTS FORMING PART OF THIS POLICY AND INSURING COMPANIES:
COMMERCIAL INLAND MARINE COV PART DECLARATIONS CM TO 01 07 86 TIL

5. NUMBERS OF FORMS AND ENDORSEMENTS

FORMING A PART OF THIS POLICY: SEE IL T8 01 10 93

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy containing its complete provisions:

Policy	Policy No.	Insuring Company
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7. PREMIUM SUMMARY:

Provisional Premium	\$ 63,800
Due at Inception	\$ 63,800
Due at Each	\$

NAME AND ADDRESS OF AGENT OR BROKER:

NORMAN SPENCER AGENCY (GE534)
 8075 WASHINGTON VILLAGE DR
 DAYTON, OH 45458

COUNTERSIGNED BY:

 Authorized Representative

DATE: _____



POLICY NUMBER: QT-660-8R365916-TIL-21

EFFECTIVE DATE: 09-19-21

ISSUE DATE: 09-30-21

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS
BY LINE OF BUSINESS.

IL T0 02 11 89	COMMON POLICY DECLARATIONS
IL T8 01 10 93	FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
IL T0 01 01 07	COMMON POLICY CONDITIONS
IL T0 03 04 96	LOCATION SCHEDULE

INLAND MARINE

CM B0 15 01 11	CARRIERS CARGO PAK COVERAGE FORM DEC
CM T0 11 08 05	TABLE OF CONTENTS
CM 00 01 09 04	COMMERCIAL INLAND MARINE CONDITIONS
CM T2 09 01 11	CARRIERS CARGO PAK COVERAGE FORM
CM T8 00	GENERAL PURPOSE ENDORSEMENT
CM U6 17 07 20	ELECTRONIC VANDALISM LIMITATION ENDT
CM T3 98 01 21	FEDERAL TERRORISM RISK INSURANCE ACT DIS
CM T5 79 02 14	CARGO THEFT & DISHONEST ACTS EXCLUSIONS
CM T5 95 02 14	SPECIFIED COMMODITIES NOT COVERED
CM T9 43 08 18	ILLINOIS CHANGES
CM 01 28 03 99	ILLINOIS CHANGES - INTENTIONAL ACTS

INTERLINE ENDORSEMENTS

IL T4 12 03 15	AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 21	CAP ON LOSSES FROM CERT ACTS OF TERRORIS
IL T4 27 06 19	ADDITIONAL BENEFITS
IL T3 82 05 13	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
IL T3 55 05 13	EXCLUSION OF CERTAIN COMPUTER LOSSES

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy or any Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.
5. If this policy or any Coverage Part is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us as part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time

during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules in effect at

the time the policy was issued. On each renewal continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while

acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. Equipment Breakdown Equivalent to Boiler and Machinery

On the Common Policy Declarations, the term Equipment Breakdown is understood to mean and include Boiler and Machinery and the term Boiler and Machinery is understood to mean and include Equipment Breakdown.

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

The Travelers Indemnity Company (IND)

The Phoenix Insurance Company (PHX)

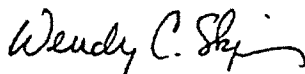
The Charter Oak Fire Insurance Company (COF)

Travelers Property Casualty Company of America (TIL)

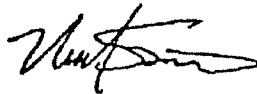
The Travelers Indemnity Company of Connecticut (TCT)

The Travelers Indemnity Company of America (TIA)

Travelers Casualty Insurance Company of America (ACJ)



Secretary



President

LOCATION SCHEDULE

POLICY NUMBER: QT-660-8R365916-TIL-21

This Schedule of Locations and Buildings applies to the Common Policy Declarations for the period
09-19-21 to 09-19-22 .

Loc. No.	Bldg. No.	Address	Occupancy
1	1	3 GRANT SQUARE UNIT 411 HINSDALE, IL 60521	PER CARRIERS CARGO PAK DECLARATIONS

FILED DATE: 11/14/2022 12:51 PM 2022CH11146

FILED DATE: 11/14/2022 12:51 PM 2022CH11146

COMMERCIAL INLAND MARINE

FILED DATE: 11/14/2022 12:51 PM 2022CH11146

COMMERCIAL INLAND MARINE



One Tower Square, Hartford, Connecticut 06183

**COMMERCIAL INLAND MARINE
COVERAGE PART DECLARATIONS**
POLICY NUMBER: QT-660-8R365916-TIL-21
ISSUE DATE: 09-30-21
INSURING COMPANY:

TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

DECLARATIONS PERIOD: From 09-19-21 to 09-19-22 12:01A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Inland Marine Coverage Part consists of these Declarations, the Commercial Inland Marine Conditions Form and the Coverage Forms shown below.

COVERAGE, LIMITS OF INSURANCE AND DEDUCTIBLE:**CARRIERS CARGO PAK****Limit of Insurance****I. Limits of Insurance Applicable To Property:****A. In Or On A Land Vehicle or Container:**

\$ 250,000

B. At the "Terminal" located:**1. NO COVERAGE**

\$

2.

\$

3.

\$

4.

\$

C. At Other Locations:

\$ NO COVERAGE

D. All Covered Property In Any One Occurrence:

\$ 500,000

II. Deductible: \$ 10,000**III. Reports and Premium:**

Minimum Earned Premium: \$35,000

Reporting or Non-Reporting applies as indicated by an 'X' below.

☐ Non- Reporting: \$ Annual Policy Premium

☒ Reporting:

☐ See Reporting Schedule

Premium Base: GROSS RECEIPTS

Estimated Exposure: 11,000,000

Rate: \$ 0.5800

Premium Adjustment Period: ANNUAL

Deposit Premium: \$ 63,800

NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING ON FORM IL T8 01 10 93.

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COMMERCIAL INLAND MARINE COVERAGE PART

The following indicates the contents of the principal forms which may be attached to your policy.

It contains no reference to the Declarations or Endorsements which also may be attached.

Beginning on Page

COMMERCIAL INLAND MARINE CONDITIONS

Loss Conditions

A. Abandonment _____	1
B. Appraisal _____	1
C. Duties In The Event Of Loss _____	1
D. Insurance Under Two Or More Coverages _____	1
E. Loss Payment _____	1
F. Other Insurance _____	2
G. Pair, Sets Or Parts _____	2
H. Recovered Property _____	2
I. Reinstatement Of Limit After Loss _____	2
J. Transfer Of Rights Of Recovery Against Others To Us _____	2

General Conditions

A. Concealment, Misrepresentation Or Fraud _____	2
B. Control Of Property _____	2
C. Legal Action Against Us _____	2
D. No Benefit To Bailee _____	3
E. Policy Period, Coverage Territory _____	3
F. Valuation _____	3

INLAND MARINE COVERAGE FORM(S)

A. Coverage

1. Covered Property _____	
2. Property Not Covered _____	Page
3. Covered Causes Of Loss _____	
4. Additional Coverage – Collapse (If Applicable) _____	No.
5. Coverage Extensions (If Any) _____	

Varies

B. Exclusions _____	
C. Limits of Insurance _____	By
D. Deductible _____	
E. Additional Conditions _____	Form
F. Definitions _____	

COMMERCIAL INLAND MARINE

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS**A. Abandonment**

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible,

set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than

COMMERCIAL INLAND MARINE

their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts**1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS**A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

COMMERCIAL INLAND MARINE

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

CARRIERS CARGO PAK

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F – DEFINITIONS.

A. COVERAGE

We will pay those sums you become legally obligated to pay as damages for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

1. **Covered Property**, as used in this Coverage Form, means lawful property of others that you have accepted for transportation, and for which a Limit of Insurance is shown in the Declarations.

2. **Property Not Covered**

Covered Property does not include:

- a. Live animals, insects, vermin, rodents, birds, poultry, fish or marine life;
- b. Automobiles, vehicles, transporting vehicles, trailers or containers unless specifically described as property to be transported in any written contract issued or accepted by you;
- c. Accounts, bills, deeds, letters of credit, passports, lottery or other tickets, stamps, money, currency, securities, checks, drafts, notes, evidences of debt, commercial papers, blueprints, mechanical drawings, manuscripts, other valuable papers or records, bullion, coins, precious stones, jewelry, abstracts, paintings, etchings, drawings, rare books, tapestries, sculptures, statuary and other bona fide works of art, rarity, historic value or artistic merit;
- d. Property for which you have arranged transportation as a transportation broker or for which you are legally liable as a warehouse operator or a freight forwarder.

3. **Covered Causes of Loss**

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE from an external cause, except for those causes of loss listed in the Exclusions.

4. Additional Coverages

a. Duty to Defend

We have the right and duty to defend you against any "suit". However, we will have no duty to defend you against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any occurrence and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section C – Limits of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Supplementary Payments Additional Coverage.

b. Supplementary Payments

We will pay, with respect to any claim we investigate or settle, or any "suit" against you we defend:

- (1) All expenses we incur.
- (2) The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We will not be the principal under these bonds, and we do not have to furnish these bonds.
- (3) All reasonable expenses you incur at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
- (4) All costs taxed against you in the "suit", but only if such costs are taxed for direct physical loss of or damage

COMMERCIAL INLAND MARINE

to Covered Property to which this insurance applies.

- (5) Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.
- (7) The cost of any required appeal bond for any judgment that we appeal, but only for bond amounts for that part of the judgment that is for damages to which this insurance applies and which are within the applicable Limit of Insurance. We will pay, or reimburse you for, the cost of a higher appeal bond amount if we are required to do so under the law that applies. We will not be the principal under any appeal bond, and we do not have to furnish any appeal bond.

c. Cargo Handling Equipment

We will pay for direct physical loss or damage caused by a Covered Cause of Loss to tarpaulins, chains, binders, pads, covers, burlap, skids, barrels, cartons, pallets, dollies, hand trucks, fork lifts and lift trucks owned by you or owned by others and not accepted for transportation. The value of such property will be the lesser of the cost to repair or replace, if you actually repair or replace, but if you do not, the value will be the Actual Cash Value for the covered loss or damage as of the date of loss.

The most we will pay under this Additional Coverage is \$25,000 in any one occurrence.

d. Shipper's Control of Damaged and Undamaged Goods

If loss to any part of Covered Property is caused by a Covered Cause of Loss and you have agreed in writing prior to the loss that the shipper may control the disposition of the damaged or undamaged

Covered Property, we will pay those sums you become legally obligated to pay for such loss to damaged or undamaged Covered Property within the contractual control of the Shipper.

e. Cargo Extra Expenses

We will pay the necessary and reasonable extra expenses incurred to:

- (1) Avoid or minimize a Covered Cause of Loss to Covered Property; or
- (2) Re-load, salvage or temporarily store Covered Property after a covered loss.

This includes services provided by Fire, Police or other Public Emergency Service Departments. The most we will pay under this Additional Coverage is \$25,000 in any one occurrence.

f. Debris Removal

We will pay the necessary and reasonable expenses incurred to remove debris of Covered Property resulting from a Covered Cause of Loss.

This Additional Coverage does not apply to:

- (1) Costs to extract "pollutants" from land or water; or
- (2) Costs to remove, restore or replace polluted land or water.

The most we will pay under this Additional Coverage is \$25,000 in any one occurrence.

g. Pollutant Cleanup and Removal

We will pay the necessary and reasonable expenses incurred to extract "pollutants" from land or water, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss to Covered Property that occurs during the policy period.

The expenses will be paid only if reported to us in writing within 180 days of the direct physical loss or damage.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

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The most we will pay under this Additional Coverage is \$25,000 in any one year commencing with policy inception.

h. Reward Coverage

We will reimburse you for any reward payments you make leading to:

- (1) The successful return of undamaged stolen Covered Property; or
- (2) The arrest and conviction of any persons who have damaged or stolen any of the Covered Property.

The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

This Additional Coverage does not apply in the State of New York.

i. Uncollectible Freight Charges

We will pay the amount of earned freight charges that you cannot collect due to a covered loss to Covered Property. We will not prorate your charges for a shipment that commenced but could not be delivered due to a covered loss to Covered Property.

The most we will pay under this Additional Coverage is \$25,000 in any one occurrence.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

a. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

b. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected at-

tack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market, loss of income or any other consequential loss.
- b. Dishonest or criminal acts by you, your partners, directors, trustees, officers or members. This exclusion does not apply to your employees or independent contractors.

3. We will not pay for any costs, fines, or penalties you incur for your violation of any law or regulation that applies to your delay in payments, denial or settlement of any claim made against you by others for any loss or damage.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations:

1. In Or On A Land Vehicle or Container applies to Covered Property in or on a truck, trailer, semi-trailer, or container, while not at your "Terminal".
2. At the "Terminal" applies to Covered Property while at the "Terminal" described in the Declarations.
3. At Other Locations applies to Covered Property that is not in or on a truck, trailer, semi-trailer, or container and not at a location described as a "Terminal" in the Declarations.

In no event will we pay more than the All Covered Property in Any One Occurrence limit regardless of the number of:

- a. Trucks, trailers, semi-trailers, or containers;
- b. "Terminals"; or
- c. Other Locations.

The applicable Limit of Insurance is the most we will pay regardless of the number of insureds, claims made or "suits" brought; or persons or organizations making claims or bringing "suits".

The Limits of Insurance stated within the specific Additional Coverage will apply as additional

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amounts of insurance, unless otherwise stated within the Additional Coverage.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage, before applying the applicable Limits of Insurance, exceeds the applicable Deductible shown in the Declarations. We will then pay the amount of the loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

Unless otherwise stated within the specific Additional Coverage, the Deductible shown in the Declarations applies to the Additional Coverages in this coverage form. But, if loss or damage in any one occurrence involves more than one Coverage or Additional Coverage under this coverage form, we will deduct only the largest applicable deductible.

E. AMENDED AND ADDITIONAL CONDITIONS

The Commercial Inland Marine Conditions and the Common Policy Conditions apply except as amended below.

1. Commercial Inland Marine Loss Conditions Not Applicable

The following Loss Conditions do not apply to this Coverage Form: Appraisal; Loss Payment; Pairs, Sets or Parts; and Recovered Property.

2. Valuation

The Valuation General Condition is replaced by the following for all Covered Property other than the Additional Coverage for Cargo Handling Equipment:

Covered Property will be valued at the amount for which you are legally liable. However, at your discretion, Covered Property which was sold by a Seller, prior to any loss, will be valued at the destination market value less any charges or expenses not incurred.

3. Transfer of Rights of Recovery Against Others to Us

The Transfer of Rights of Recovery Against Others to Us Loss Condition is replaced by the following:

If you have rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. You must do nothing after loss to impair them. At our request, you will bring "suit" or transfer those rights to us and help us enforce them.

You may waive your rights against another party in writing:

- a. Prior to a loss to Covered Property;
- b. After a loss to Covered Property only if at the time of loss that party is:
 - (1) Someone insured by this insurance;
 - (2) A business firm owned or controlled by you or that owns or controls you; or
 - (3) Another bailee of Covered Property if you have a written contract that apportions some or all of the loss with such bailee.

This will not restrict your insurance.

4. Legal Action Against Us

The Legal Action Against Us General Condition, in the Commercial Inland Marine Conditions, is replaced by the following:

Legal Action Against Us

- a. No one may bring a legal action against us under this Coverage Part unless:
 - (1) There has been full compliance with all the terms of this Coverage Form;
 - (2) The action is brought within 2 years after you first have knowledge of the direct loss or damage or the "suit".
- b. No person or organization has a right under this Coverage Form to join us as a party or otherwise bring us into a "suit" asking for damages from you.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

5. Duties in the Event of Loss

The following is added to the Duties in the Event of Loss Condition:

Make a prompt claim in writing against any other party who may be liable for the loss.

6. Coverage Territory

We cover property wherever located within:

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- a. The United States of America and its territories or possessions;
- b. Puerto Rico; and
- c. Canada.

7. Reimbursement to Us

We may endorse this policy at your request to comply with the requirements of the United States Department of Transportation or any other governmental authority.

If we pay any loss or damage because of any such endorsement, you must promptly reimburse us for that payment and any other expenses we may incur in connection with it; however, your reimbursement will be required only to the extent that we do not cover that loss or damage under this Coverage Form.

8. Salvage

Unless, prior to any loss, you have agreed by written contract to the contrary, any salvage for loss will accrue entirely to our benefit until the sum paid by us has been made up. If our benefit of salvage recovery exceeds the loss sum we paid, then we will return the difference to you or the owner of Covered Property, less salvage expenses.

9. Minimum Earned Premium

You must pay at least the Minimum Earned Premium shown in the Declarations.

This Minimum Earned Premium will only apply:

- a. When the computed premium for each annual policy period is less than the Minimum Premium; or
- b. If you cancel this Insurance after it has taken effect.

10. Reports, Premium And Reporting Provisions

The following applies only if Reporting is indicated in the Declarations.

- a. Reports. Within 30 days after the end of each reporting period, you must report to us the amount of your Premium Base for that period.
- b. Premium Computation. We will compute the premium using the rate and your Premium Base shown in the Declarations

as of each Premium Adjustment Period shown in the Declarations.

- c. Premium Adjustment. We will apply the computed premium to the Deposit Premium shown in the Declarations until it is used up. You must then pay us all premiums that exceed the Deposit Premium.
- d. If the Coverage Form is cancelled, you must report the amount of the Premium Base up to the date of cancellation.
- e. Cancellation. The following is added to the Cancellation Common Policy Condition:

In the event of cancellation, this Coverage Form applies to all shipments of Covered Property made up to the date of cancellation.

F. DEFINITIONS

1. **"Gross receipts"** means the total amount of receipts to which you are entitled for all services covered by this coverage form during the policy period.
2. **"Mileage"** means the total live and dead mileage of all revenue producing units operated during the policy period.
3. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
4. **"Suit"** means a civil proceeding in which damages because of loss of or damage to Covered Property to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which you must submit, or submit with our consent; and
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.
5. **"Terminal"** means any portion of a premises listed and described in the Declarations or Schedule where Covered Property is located.

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GENERAL PURPOSE ENDORSEMENT

Explosives that have a mass explosion hazard (explosion which affects almost the entire load instantaneously). 49 CFR 173.50

Explosives that have a projection hazard but not a mass explosion hazard. 49 CFR 173.50

Explosives that have a fire hazard and either a minor blast hazard or a minor projection hazard or both, but not a mass explosion hazard. 49 CFR 173.50

Gas poisonous by inhalation means a material which is a gas and which (1) Is known to be so toxic to humans as to pose a hazard to health during transportation, or (2) In the absence of adequate data on human toxicity, is presumed to be toxic to humans after laboratory testing on animals. 49 CFR 173.115

Dangerous when wet material means a material that, by contact with water, is liable to become spontaneously flammable or to give off flammable or toxic gas at a rate greater than 1 L per kilogram of the material, per hour, when tested in accordance with UN Manual of Tests and Criteria. 49 CFR 173.124

Poisons are material, other than a gas, which is known to be so toxic to humans as to afford a hazard to health during transportation, or which, in the absence of adequate data on human toxicity: (1) Is presumed to be toxic to humans because it falls within a category (listed in the regulation) when tested on laboratory animals; or (2) Is an irritating material, with properties similar to tear gas, which causes extreme irritation, especially in confined spaces. 49 CFR 173.132

Infectious substance means a material known or reasonably expected to contain a pathogen. A pathogen is a microorganism (including bacteria, viruses, rickettsiae, parasites, fungi) or other agent, such as a proteinaceous infectious particle (prion) that can cause disease in humans or animals.

Category A: An infectious substance in a form capable of causing permanent disability or life-threatening or fatal disease in otherwise healthy humans or animals when exposure to it occurs. An exposure occurs when an infectious substance is released outside of its protective packaging, resulting in physical contact with humans or animals. 49 CFR 173.134

Radioactive material means any material containing radionuclides where both the activity concentration and the total activity in the consignment exceed the values specified in the table in 49 CFR 173.436 or values derived according to the instructions in 173.433. 49 CFR 173.403

Uranium ores or contaminated soils emitting moderate levels of radiation.

Radioactive material means any material containing radionuclides where both the activity concentration and the total activity in the consignment exceed the values specified in the table in 49 CFR 173.436 or values derived according to the instructions in 173.433. 49 CFR 173.403 Nuclear waste enroute to disposal.

COMMERCIAL INLAND MARINE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTRONIC VANDALISM LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

SCHEDULE

Electronic Vandalism Limit of Insurance,

aggregate in any 12-month period of this policy: **\$10,000.**

This endorsement limits the insurance provided under this policy for direct physical loss or damage caused by or resulting from "electronic vandalism" and for loss that is a consequence of such direct physical loss or damage.

A. LIMITATION – ELECTRONIC VANDALISM

The following LIMITATION is added:

The most we will pay for all loss or damage caused directly or indirectly by or resulting from "electronic vandalism" in any one policy year, commencing with the inception date of this endorsement, is the Electronic Vandalism Limit of Insurance shown in the Schedule of this endorsement. This limit:

1. Applies regardless of the number of locations, items or types of property or coverages or Coverage Forms involved; and
2. Is part of, and does not increase the Limits of Insurance provided under this policy.

But if "electronic vandalism" results in:

1. A "specified cause of loss", other than vandalism; or
2. Theft under the Fine Art And Collectibles Coverage Form; Museum Coverage Form, Fine Art Dealer Coverage Form or any other similar fine art coverage form;

this limitation will not apply to the resulting loss or damage caused by that "specified cause of loss" or theft.

B. ELECTRONIC VANDALISM MINIMUM DEDUCTIBLE

The following deductible provision is added and applies to all coverages, including Extra Expense:

The DEDUCTIBLE provisions of this policy continue to apply. But in no event will the total of

all applicable deductible amounts applied in any one occurrence of "electronic vandalism" be less than \$1,000.

C. DEFINITIONS

"Electronic Vandalism", as used in this endorsement means:

1. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
2. Unauthorized computer code or programming that:
 - a. Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
 - b. Replicates itself, impairing the performance of computers or computer systems or networks; or
 - c. Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

"Specified Cause of Loss", as used in this endorsement means:

Fire; lightning; explosion; windstorm or hail; smoke (including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment); aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling

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objects as limited below; weight of snow, ice or sleet; "water damage", all only as otherwise insured against in the Coverage Form.

Falling objects does not include loss or damage to:

- a. Personal property in the open; or
- b. The interior of a building or structure, or property inside a building or structure, unless the roof or an exterior wall of the building or structure is first damaged by a falling object.

"Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. "Sinkhole collapse" does not mean the cost of filling sinkholes or the sinking or collapse of land into man-made underground cavities.

"Water damage" means:

- a. Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts) that contains water or steam and is at a location listed in the applicable Location Schedule; and
- b. Accidental discharge or leakage of water as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off a location listed in the applicable Location Schedule, if the breakage or cracking is caused by wear and tear. This provision serves as an exception to any wear and tear exclusion. But water damage does not include loss or damage that otherwise may be excluded under the terms of a Water or Flood Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). "Act Of Terrorism" is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for such Insured Losses is 80% of the amount of such Insured Losses in excess of each Insurer's "Insurer

Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA).

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

The charge for such Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge for such Insured Losses that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA:

- 1% of your total Commercial Inland Marine Coverage Part premium.

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ISSUE DATE: 09-30-21**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****CARGO THEFT AND DISHONEST ACTS EXCLUSIONS**

This endorsement modifies insurance provided under the following:

CARRIERS CARGO PAK
CARGO AND LOGISTICS PAK
SHIPPERS CARGO PAK

The following exclusions apply when an 'X' is indicated in the applicable box below.

- ☐
- The following is added to Part 2., Property Not Covered, in Section A – Coverage:

Property in or on a vehicle, trailer or container at any location for more than twenty-four hours from the time it arrived at that location, including Property in or on a vehicle, trailer or container if we are unable to determine the time of loss necessary to this clause. This exclusion does not apply to Covered Property located at a "Terminal" or "Facility" listed in the Declarations.

- ☒
- Paragraph 2.b. in Section B – Exclusions is replaced by the following:

Dishonest Acts committed by:

- (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
- (2) A manager or a member if you are a limited liability company;
- (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (4) Independent Contractors or anyone else to whom the property is released for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to acts of destruction by your employees. But theft by employees is not covered.

- ☐
- The following is added to Paragraph 2. in Section B – Exclusions:

We will not pay for loss caused by or resulting from theft from any unattended vehicle, trailer or container unless at the time of theft all windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry. If there is no vehicle, trailer or container to inspect, this exclusion does not apply.

- ☐
- The following is added to Paragraph 2. in Section B – Exclusions:

We will not pay for loss caused by or resulting from voluntary parting with any property by you or anyone to whom you released the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- ☐
- The following is added to Paragraph 2. in Section B – Exclusions:

We will not pay for loss caused by or resulting from unauthorized instructions to transfer property to any person or to any place.

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COMMERCIAL INLAND MARINE
ISSUE DATE: 09-30-21

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIFIED COMMODITIES NOT COVERED

This endorsement modifies coverage provided under the following:

CARRIERS CARGO PAK
CARGO AND LOGISTICS PAK
SHIPPER'S CARGO PAK

The following type(s) of property are added to Part 2., Property Not Covered in Section A – COVERAGE when an 'X' is indicated in the applicable box below.

- ☒ a. Cigarettes.
- ☒ b. Pharmaceuticals and prescription drugs.
- ☒ c. Cellular telephones, televisions; video and digital game equipment, including software and data; sound systems and audio equipment; computers, related equipment, software, media and data.
- ☒ d. Alcoholic beverages.
- ☒ e. Other, as described below:

SEE CM T8 00

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

A. Cancellation (Common Policy Conditions) is replaced by the following:

Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
2. a. We may cancel this Policy by mailing to you written notice stating the reason for cancellation at your last mailing address known to us. Proof of mailing will be sufficient proof of notice.
- b. If we cancel for nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
- c. If we cancel for a reason other than nonpayment of premium, we will mail the notice at least:
 - (1) 30 days prior to the effective date of cancellation if the Policy has been in effect for 60 days or less.
 - (2) 60 days prior to the effective date of cancellation if the Policy has been in effect for more than 60 days.
3. If this Policy has been in effect for more than 60 days, we may cancel only for one or more of the following reasons:
 - a. Nonpayment of premium;
 - b. The Policy was obtained through a material misrepresentation;
 - c. Any insured has violated any of the terms and conditions of the Policy;
 - d. The risk originally accepted has measurably increased;
 - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or

f. A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this Policy is cancelled we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.
6. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known, and to the lienholder listed on the Policy.

B. The following is added and supersedes any provision to the contrary:

Nonrenewal

If we decide not to renew or continue this Policy, we will mail you written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. Proof of mailing will be sufficient proof of notice. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known, and to the lienholder listed on the Policy. If we offer to renew or continue and you do not accept, this Policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this Policy will end on the effective date of that insurance.

C. General Condition C. Legal Action Against Us in the Commercial Inland Marine Conditions is replaced by the following:

COMMERCIAL INLAND MARINE

C. Legal Action Against Us

No one may bring a legal action against us:

1. Until there has been full compliance with all terms of this Coverage Part; and
2. More than two years after you first have knowledge of the direct loss or damage. But we will extend this two year period by the number of days between the date proof of loss is filed and the date the claim is denied in whole or in part.

D. The following Loss Condition is added to Part E., Loss Payment, in the Commercial Inland Marine Conditions:

7. Your, or your estate's bankruptcy or insolvency will not relieve us of our loss payment obligations as respects covered

loss or damage to property owned by others under this Coverage Part.

E. If a Coverage Form under this Coverage Part contains an exclusion relating to artificially generated electrical, magnetic or electromagnetic energy, that exclusion is replaced by the following:

We will not pay for loss or damage caused by or resulting from artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

This Exclusion does not apply to loss or damage to electronic data processing equipment or electronic data processing data and media.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES – INTENTIONAL ACTS

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

The following exclusion is added:

A. We will not pay for loss or damage arising out of any act committed:

1. By or at the direction of any insured; and
2. With the intent to cause a loss.

B. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

1. The loss arose out of a pattern of criminal domestic violence; and

2. The perpetrator of the loss is criminally prosecuted for the act causing the loss.

C. If we pay a claim pursuant to Paragraph **B.**, our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

FILED DATE: 11/14/2022 12:51 PM 2022CH11146

**INTERLINE
ENDORSEMENTS**

FILED DATE: 11/14/2022 12:51 PM 2022CH11146

INTERLINE ENDORSEMENTS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF COMMON POLICY CONDITIONS – PROHIBITED COVERAGE – UNLICENSED INSURANCE AND TRADE OR ECONOMIC SANCTIONS

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following is added to the Common Policy Conditions:

Prohibited Coverage – Unlicensed Insurance

1. With respect to loss sustained by any insured, or loss to any property, located in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
 - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to provide insurance in such country or jurisdiction; or

- b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

Prohibited Coverage – Trade Or Economic Sanctions

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM
 CYBERFIRST GENERAL PROVISIONS FORM
 DELUXE PROPERTY COVERAGE PART
 EMPLOYEE BENEFITS LIABILITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EMPLOYMENT PRACTICES LIABILITY + WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT
 COVERAGE PART
 ENVIRONMENTAL HAZARD POLICY
 EQUIPMENT BREAKDOWN COVERAGE PART
 EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE
 EXCESS (FOLLOWING FORM) LIABILITY INSURANCE
 LAW ENFORCEMENT LIABILITY COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART
 MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND
 INFORMATION SECURITY LIABILITY COVERAGE FORM
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK DEPARTMENT OF
 TRANSPORTATION
 TRAVELERS PROPERTY COVERAGE PART
 TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART
 Any other Coverage Part or Coverage Form included in this policy that is subject to the federal Terrorism
 Risk Insurance Act of 2002 as amended

The following is added to this policy. This provision can limit coverage for any loss arising out of a "certified act of terrorism" if such loss is otherwise covered by this policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of "certified acts of terrorism" in another endorsement to this policy.

If aggregate insured losses attributable to "certified acts of terrorism" exceed \$100 billion in a calendar year and we have met our insurer deductible under "TRIA", we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of "TRIA", to be an act of terrorism pursuant to "TRIA". The criteria contained in "TRIA" for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to "TRIA"; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"TRIA" means the federal Terrorism Risk Insurance Act of 2002 as amended.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL BENEFITS

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following Condition is added to each Common Policy Conditions included in this policy:

Additional Benefits

1. We may offer or provide, or allow others to provide, you or another insured under this policy with goods and services, access to discounted goods and services, other program benefits or other items of value that could assist your business with managing your risk, with servicing your policy or with staying informed about loss control and mitigation of risk.
2. These Additional Benefits may be provided in any form. You or another insured under this policy may be eligible to receive additional benefits. You
- are under no obligation to pursue any of these Additional Benefits.
3. While we may arrange for these Additional Benefits, the other provider is liable to you or the other insured for the provision of the goods and services. We do not warrant the merchantability, fitness or quality of any goods or services provided or assume any additional obligation related to any Additional Benefits provided.
4. We have the right to modify or discontinue any Additional Benefits provided by us, or others authorized by us, without notice to you or any other insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
FARM COVERAGE PART

- A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense, rental value or action of civil authority.
- B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".
- D. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES DUE TO DATES OR TIMES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART

A. We will not pay for loss ("loss") or damage caused directly or indirectly by any of the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.

1. The failure, malfunction or inadequacy of:

- a. Any of the following, whether belonging to any insured or to others:
 - (1) Computer hardware, including microprocessors;
 - (2) Computer application software;
 - (3) Computer operating systems and related software;
 - (4) Computer networks;
 - (5) Microprocessors (computer chips) not part of any computer system; or
 - (6) Any other computerized or electronic equipment or components; or
- b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair,

replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph A.1. of this endorsement.

B. If an excluded Cause of Loss as described in Paragraph A. of this endorsement results:

1. In a Covered Cause of Loss under the Boiler and Machinery Coverage Part, the Commercial Crime Coverage Part or the Commercial Inland Marine Coverage Part; or
2. Under the Commercial Property Coverage Part:
 - a. In a "Specified Cause of Loss", in elevator collision resulting from mechanical breakdown, or from theft (if insured) under the Causes of Loss – Special Form; or
 - b. In a Covered Cause of Loss under the Causes of Loss – Basic Form or the Causes of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, theft, or a Covered Cause of Loss.

C. We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. of this endorsement to correct any deficiencies or change any features.

POLICYHOLDER NOTICES

FILED DATE: 11/14/2022 12:51 PM 2022CH11146

POLICYHOLDER NOTICES

**IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER
COMPENSATION**

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number 1-866-904-8348, or request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.

IMPORTANT NOTICE – COMPLAINTS – ILLINOIS

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

If you are having problems, you may contact your insurance agent directly or you may contact the company at:

Mail: Consumer Affairs
One Tower Square
Hartford, CT 06183

Phone: (860) 277-1561 or toll free (866) 894-0687

Email: consumeraffairs@travelers.com

The addresses and phone numbers of the consumer complaint division of the Illinois Department of Insurance are:

Illinois Department of Insurance
Consumer Division
122 S. Michigan Ave. – 19th Floor
Chicago, IL 60603
312-814-2420 phone

And

Illinois Department of Insurance
Consumer Division
320 W Washington St
Springfield, IL 62767
217-782-4515 phone

Complaints may also be filed electronically to the Illinois Department of Insurance at:

<https://mc.insurance.illinois.gov/messagecenter.nsf>

IMPORTANT NOTICE – RELIGIOUS FREEDOM PROTECTION AND CIVIL UNION ACT – ILLINOIS

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

The Illinois Religious Freedom Protection and Civil Union Act provides that persons of the same or opposite sex who enter into a civil union must be afforded the same obligations, protections, and legal rights as married persons. This law became effective June 1, 2011, and is designed to ensure that civil unions and marriage are treated identically under Illinois law. In accordance with law, this policy will be interpreted to provide the same benefits and protections to persons in a civil union or in a marriage.

To Our Valued Customer,

Each year, homeowners and business owners across the nation sustain significant weather-related property damage due to floods. These can include losses caused by waves, tidal waters, the overflow of a body of water, the rapid accumulation or runoff of surface water, and mudslide. In nearly all cases, these flood losses cannot be prevented or even anticipated. And, in many instances, the losses are devastating.

Most standard property insurance policies, including most of our policies, do not provide coverage for flood losses. While flood coverage is often available – primarily through the National Flood Insurance Program – it is rarely purchased. Unfortunately, each year we find that some policyholders are surprised and disappointed to learn that damages they have suffered as a direct result of flood are not covered under the policies they have purchased.

Please review your insurance coverage with your agent or Company representative. As you consider the need for flood insurance, keep in mind that floods can, and do, occur in locations all over the country. They are not limited to coastal areas or locations with nearby rivers or streams. Several inches of rain falling over a short period of time can cause flood damage, even in normally dry areas that are not prone to flooding.

For further information about Flood Insurance, contact your agent or company representative, or contact the National Flood Insurance Program directly.

Samsung Electronics America, Inc.
C/O Claims and Insurance - 7th Floor
85 Challenger Rd.
Ridgefield Park, NJ 07660

Loss/Damage Claim

Claim No	0010035073
Claim Occ Date	2021.11.29

Claim to : SAMSUNG SDS AMERICA, INC. (DOT8)
Attention :
Carrier : S364/CH ROBINSON
Claimant : SAMSUNG ELECTRONICS AMERICA

Shipper : SAMSUNG SDS AMERICA, INC.
250 MOONACHIE RD. 4TH FLOOR
MOONACHIE US 07074

Consignee : COSTCO.COM TRACY DEPOT
25501 GATEWAY BLVD
TRACY US 95377

Ship Date : 2021.11.24
BL number : 7077704547

PRO no : 14000832

Papers Attached :

Other Information

Reference : 8601378853
Invoice No : 3010722487
RA no : 701740899

Description : Pilferage, Theft

Model No .	Description	# of Unit	Price/unit	Amount
HW-A58C/ZA	AV RECEIVER,HW-A58C,	480.000 EA	352.79 USD	169,339.20 USD

480 UNITS SHORT DUE TO THEFT

Freight Charge : 0.00
Total : 169,339.20
(USD)

Payment due within 90 days from the date of filled
please make check payable to :
SAMSUNG ELECTRONICS AMERICA Inc.

Samsung Electronics America, Inc.
C/O Claims and Insurance - 7th Floor
85 Challenger Rd.
Ridgefield Park, NJ 07660

Signature of Claimant

EXHIBIT

B



Megan Muth

Technical Specialist
Travelers
Countrywide Inland Marine Claim

(630) 961-4364 (Direct)
(866) 381-6247 (Fax)

PO Box 430
Buffalo, NY 14240-0430

April 5, 2022

via Email

HXI Logistics Inc
3 Grant Square, Unit 411
Hinsdale, IL 60521
Attn: Zaneta Gromkiewicz
Email: accounting@hxilogistics.com

RE: Policy Number: QT-660-8R365916-TIL-21
Policy Period: September 19, 2021 to September 19, 2022
Named Insured: HXI Logistics Inc
Claim Number: FRQ0304
Date of Loss: November 15, 2021
Insurer: Travelers Property Casualty Company of America

Dear Ms. Gromkiewicz;

We have reviewed our previous denial of coverage and analyzed recent facts presented during investigation against your policy of insurance issued by Travelers Property Casualty Company Of America ("Travelers"). Based on a recent policy revision to remove the electronics exclusion contained in the policy endorsement CM T5 95 02 14, Specified Commodities Not Covered, we are withdrawing our prior denial of coverage as it relates to this endorsement.

However, please be advised that based on the recent facts that have been confirmed in our investigation, we have determined that your policy will not cover the damages being claimed. The reason for this determination is set forth below.

It is our understanding that HXI Logistics Inc ("HXI") was hired by CH Robinson to transport a load of Samsung AV Receivers, which have been identified as surround sound audio equipment. Our investigation has revealed that the shipment was picked up by an HXI driver in Elwood, Illinois and transported to a yard located at 2901 Loomis Rd, Stockton, California to await delivery to Costco. While the shipment was parked in the Stockton yard, HXI employee, Scott Hernandez, was seen hitching a company tractor to the shipment and then leaving the yard with the cargo. Based on our investigation, Mr. Hernandez was a current employee of HXI when the loss occurred. To-date, the Samsung audio equipment has not been recovered.

A claim demand has been submitted by Samsung Electronics America, Inc. in the amount of \$169,339.20.

Please refer to the insurance policy issued by Travelers to HXI Logistics Inc under Commercial Inland Marine Policy number QT-660-8R365916-TIL-21, active for the period of September 19, 2021 to September 19, 2022. We direct you to form number CM T2 09 01 11, Carriers Cargo Pak, which states in relevant part:



A. COVERAGE

We will pay those sums you become legally obligated to pay as damages for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

1. **Covered Property**, as used in this Coverage Form, means lawful property of others that you have accepted for transportation, and for which a Limit of Insurance is shown in the Declarations.

...

3. **Covered Causes of Loss**

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE from an external cause, except for those causes of loss listed in the Exclusions.

The policy includes endorsement number CM T5 79 02 14, Cargo Theft and Dishonest Acts Exclusions, which contains the following wording:

CARGO THEFT AND DISHONEST ACTS EXCLUSIONS

The following exclusions apply when an 'X' is indicated in the applicable box below.

...

- ☒ Paragraph 2.b. in Section B – Exclusions is replaced by the following:

Dishonest Acts committed by:

- (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
- (2) A manager or a member if you are a limited liability company;
- (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (4) Independent Contractors or anyone else to whom the property is released for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to acts of destruction by your employees. But theft by employees is not covered.

Page 3

Based on the policy language above, Travelers must respectfully deny coverage for this loss, as theft by employees is not covered.

There may be other terms, conditions and exclusions in the policy that apply to this claim. Our reference to specific provision(s) of your policy does not, nor is it intended to, waive any of the rights that Travelers may have under the terms of your insurance policy or at law. All rights which Travelers may have under the terms of your insurance policy or at law are specifically reserved. We expressly do not waive our right to deny coverage for any other valid reason.

Our position on this matter is based upon our assessment of the information we gather during our investigation of this loss. If you have any additional information that you believe we have not considered, or if you believe there is a theory of coverage that we have overlooked, please forward that information to me for consideration.

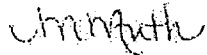
The State of Illinois requires us to provide the following information.

Part 919 of the Rules of the Illinois Department of Insurance requires that our company advise you that, if you wish to take this matter up with the Illinois Department of Insurance, it maintains a Consumer Division in Chicago at 122 S. Michigan Ave., 19th Floor, Chicago, Illinois 60603 and in Springfield at 320 West Washington Street, Springfield, Illinois 62767.

Please review the Legal Action Against Us condition of the policy as it contains important information about the period of time in which you may bring legal action.

Thank you for your cooperation. If you have any questions, please call me at (630) 961-4364.

Sincerely,



Megan Muth
Technical Specialist
Travelers Property Casualty Insurance Company of America

Cc: Norman Spencer Agency

FILED DATE: 11/14/2022 12:51 PM 2022CH11146

Incident Report

STOCKTON POLICE DEPARTMENT

21-41241

Supplement No
0003

22 E WEBER ST.

STOCKTON, CA 95202

(209) 937-8218

Reported Date
06/07/2022
Rpt/Incident Typ
487
Member#
JACKMAN, ERIC

Administrative Information

Agency STOCKTON POLICE DEPARTMENT	DR 21-41241	Supplement No 0003	Reported Date 06/07/2022	Reported Time 13:20
CAD Call No 213280187	Status RTF INVESTIGATIONS	Rpt/Incident Typ GRAND THEFT		
Location 1616 BOEING WY				City Stockton
ZIP Code 95206	Rep Dist 0430	District PA	Sector PS	From Date 11/14/2021
				From Time 23:00
				To Date 11/15/2021
				To Time 03:00
Member# 2659/JACKMAN, ERIC		Assignment PROPERTY CRIME PHASE 2		Entered By 2659
Assignment PROPERTY CRIME PHASE 2		RMS Transfer Successful	Prop Trans Stat Successful	Property? None
Approval Date 06/14/2022		Approval Time 08:58:02		
Route - None Yes				

Summary Narrative

Supplemental report

D.A. disposition

Modus Operandi

Premise Type Parking lot, garage, paid	Crime Code(s) Grand theft
---	------------------------------

Narrative

NOTIFICATION :

On 06/07/2022 at 1320 hours, I (Detective Jackman) conducted follow up investigation on this case.

INVESTIGATION :

I was contacted by SPD clerk Gloria Bossi who advised of person's requesting the disposition of this case from the D.A. Bossi advised she had received several calls asking for the disposition but we were unable to release it unless it was in the form of a supplemental report. The following was the D.A.'s disposition:

Declined to file for the following reasons: Lack of sufficient evidence, insufficient suspect ID, no reasonable probability of conviction per Ron Goodreau, deputy district attorney.

ATTACHMENTS :

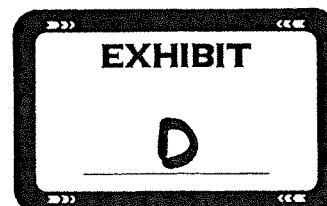
None

EVIDENCE :

None

DISPOSITION :

Refer to original



Report Officer 2659/JACKMAN, ERIC	Printed At 06/21/2022 12:14
Page 1 of 1	